

Senate Committee on Agriculture and Natural Resources

House Bill 2085 Kansas Rural Water Association

Testimony by Doug Mays
March 10, 2019

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to provide comments on HB 2085. The Kansas Rural Water Association (KRWA) has an active membership of 265 rural water districts in Kansas, as well as 475 municipalities.

In 2018, KSA 82a-621 was amended to require Kansas rural water districts to reinstate forfeited benefit units (memberships) upon payment of back charges and an additional maximum fee of 20 percent of the purchase price of a new benefit unit. Typically, rural water districts can forfeit the benefit unit of any patron who is more than six months delinquent on payment of the utility bill.

Depending on the situation, especially on properties involved in foreclosure, it was difficult for water districts to make certain that proper notice was provided to the entity holding the property. As a result, prospective owners to whom the information was never conveyed were often under the impression that there was no problem with water service. The imposition of the full cost of a new benefit unit, which averages \$3,000 to \$8,000, was sticker-shock to the new owners who would often only learn of the situation after purchase of the property. The KRWA supported the legislation that limited the charges for reinstatement of forfeited benefit units.

House Bill 2085 was prefiled this session by Rep. Ron Highland, Chairman of the House Committee on Agriculture, at the request of the Wabaunsee County Rural Water District #2. The bill was referred to that committee and received a hearing on March 12, 2019.

At that hearing, the KRWA supported passage of the HB 2085, with one concern-- the limitation of one year for required reinstatement of forfeited benefit units. Discussions with Wabaunsee #2 revealed that their problem was one of increasingly limited system capacity. An additional amendment, agreed upon by all parties, was adopted by the committee requiring rural water districts to reinstate any benefit unit forfeited for nonpayment of fees and charges only as long as the capacity of the district's facilities permits.

We urge the committee to pass HB 2085.